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Message Text

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ACTION EB-07

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E.O. 11652: N/A
TAGS: BEXP, UR
SUBJECT: DEVELOPMENT OF THEMES FOR TRADE PROMOTION EVENTS IN USSR

BEWT FOR THOMPSON

REF: A. STATE 280446
B. MOSCOW 0472
C. A-9411, NOV. 1973
D. VIENNA 0640

1. AS PER REFTEL A EWTC HAS DEVELOPED LIST OF 10 THEMES WHICH APPEAR MOST WORTHY OF PROMOTION BY COMMERCE TRADE PROMOTION VEHICLES/EVENTS IN USSR. LIST IS TAKEN FROM MAIN SECTIONS OF NEARLY COMPLETED EWTC COMPREHENSIVE MARKETING RESEARCH SURVEY FOR USSR (REF C) WHICH IS BASED ON STUDY OF USSR ECONOMIC PLANS, OVER 200 INTERVIEWS WITH MARKETING SPECIALISTS AND SALES REPRESENTATIVES TRADING WITH USSR, AND PUBLISHED TRADE AND INDUSTRIAL INFORMATION FROM SOVIET AND WESTERN SOURCES.

2. WHILE WE BELIEVE LIST CONTAINED HEREIN IS MORE RELIABLE THAN ONE WE PREPARED FOR GDR (REF D) IT HAS NOT BEEN VERIFIED BY RECENT INTERVIEWS IN USSR. MOREOVER, STILL UNPUBLISHED USSR FIVE-YEAR ECONOMIC PLAN FOR 1976-80 PERIOD MAY CONTAIN IN-FORMATION WHICH WOULD CHANGE OUR CONCLUSIONS AND RECOMMENDA-TIONS REGARDING TADE PROMOTION ACTIVITIES IN 1976.
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3. MAIN DIFFERENCE BETWEEN CRITERIA MENTIONED IN REF B
AND THOSE FOR FOLLOWING LIST IS THAT IN OUR LIST ONLY ESTI-
MATED "INCREMENTAL" U.S. EXPORTS ARE CONSIDERED THE OBJEC-
TIVE OF PROMOTION EVENTS. IN CASE WHERE OUR SURVEY'S FIND-
INGS SHOW THAT U.S. EXPORTS ARE LIKELY TO REMAIN AT THE
SAME LEVEL EVEN IF NO TRADE EVENT IS HELD WE DO NOT RECOM-
MEND THAT USDOC SPONSOR A TRADE EVENT. FOR EXAMPLE, CON-
STRUCTION MACHINERY IS NOT INCLUDED IN OUR LIST OF TOP 10
THEMES, EVEN THOUGH U.S. EXPORTS TO USSR IN THIS CATEGORY
ARE HIGHER THAN SOME OTHER LISTED THEMES. U.S. CONSTRUCTION
MACHINERY INDUSTRY IS DOMINATED BY HANDFUL OF LARGE COMPA-
NIES ALL OF WHICH ARE ACTIVE IN SELLING TO USSR AND ALREA-
DY HAVE A SHARE OF SOVIET MARKET (WE ESTIMATED IT AT NEAR-
LY 70 PERCENT OF WESTERN INDUSTRIALIZED COUNTRIES' MARKET SHARE
IN 1973) MUCH HIGHER THAN AVERAGE SHARE IN COMPARABLE WEST-
ERN EUROPEAN MARKETS. A RECOMMENDATION FOR A MAJOR TRADE
EXHIBITION AS IN REF B (PARA 4, 1) IS NOT MADE IN OUR LIST
BECAUSE A TRADE PROMOTION EVENT APPEARS UNNECESSARY, EVEN
THOUGH WE AGREE ON THE IMPORTANCE OF THE MARKET FOR AMERI-
CAN CONSTRUCTION MACHINERY IN USSR. SEVERAL OTHER THEME
CATEGORIES WITH ALREADY HIGH U.S. EXPORTS TO USSR HAVE
LOWER PRIORITY OR ARE NOT IN EVENT LIST FOR SAME REASON.

4. FOLLOWING THEME LIST IS RANKED ACCORDING TO ESTIMATED
POTENTIAL FOR INCREASED U.S. EXPORTS TO THE USSR AS FOLLOWS:
(A) THEME TITLE (B) ESTIMATED POTENTIAL FOR INCREMENTAL U.S.
EXPORTS TO THE USSR ANNUALLY AND (C) RECOMMENDED US DEPT.
OF COMMERCE EVENT OR ACTIVITY (TRADE EXHIBITIONS ARE RECOM-
MENDED FOR SEVERAL OF THE IMPORTANT THEMES BECAUSE IT AP-
PEARS THE MOST EFFECTIVE METHOD GIVEN SIZE OF USSR MARKET,
BUT EACH WOULD ALSO SUPPORT SUCCESSFUL SMALL EXHIBITIONS OR
TECHNICAL SALES SEMINARS).
FIRST, (A) CHEMICAL/PETROCHEMICAL PROCESSING EQUIPMENT AND
INSTRUMENTATION. (B) $95 MILLION. (C) MAJOR EXHIBITION WITH
TECHNICAL SEMINARS (US PRODUCTS WITH HIGHEST MARKET POTENTIAL:
PROCESS CONTROL INSTRUMENTS, ADVANCED CONTROL AND REGULA-
TOR VALVES, PUMPS, FILTERS, COMPRESSORS AND SEPARATOR
SYSTEMS).
SECOND; (A) FOOD PROCESSING AND PACKAGING EQUIPMENT, (B) $27
MILLION. (C) EXHIBITION WITH TECHNICAL SEMINARS (U.S. PRODUCTS
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AND TECHNOLOGY WITH HIGHEST MARKET POTENTIAL ARE FOOD
PROCESSING AND PACKAGING QUALITY CONTROL INSTRUMENTS, FOOD
FREEZING EQUIPMENT AND WHOLE PROCESSING/PACKAGING LINES).
THIRD, (A) MACHINE TOOLS FOR METALS (B) $23 MILLION. (C)
EXHIBITION WITH TECHNICAL SEMINARS.
FOURTH, (A) INDUSTRIAL INSTRUMENTATION. (B) $ 16 MILLION. (C)
MAJOR EXHIBITION WITH TECHNICAL SEMINARS (U.S. PRODUCTS AND
TECHNOLOGY WITH HIGHEST SALES POTENTIAL INCLUDE PROCESS

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CONTROL INSTRUMENTS AND COMPUTERS, LIQUID AND GASS FLOW CONTROL
AND ANALYSIS INSTRUMENTATION (FOR CHEMICAL/PETROCHEMICAL
PROCESSING AS WELL AS GAS, OIL FIELD AND PIPELINE APPLICATIONS),
MATERIALS TEST AND QUALITY CONTROL INSTRUMENTATION, AND
GEOPHYSICAL (EXPLORATION AND PROSPECTING) INSTRUMENTATION.
EACH OF THESE SUB-CATEGORIES WOULD ALSO SUPPORT SUCCESSFUL
SMALL, MULTI-FIRM EXHIBITIONS/SEMINARS.
FIFTY, (A) METALLURGY EQUIPMENT AND INSTRUMENTATION. (B)
$ 11 MILLION. (C) MAJOR EXHIBITION WITH TECHNICAL SEMINARS (U.S.
PRODUCTS AND TECHNOLOGY WITH HIGH SALES POTENTIAL INCLUDE
CONTROL COMPUTERS AND INSTRUMENTS FOR METALLURGY PROCESSES,
METALLURGY QUALITY CONTROL INSTRUMENTS, ADVANCED METAL
FOUNDRY, CASTING AND ROLLING MILL TECHNOLOGY AND EQUIPMENT.
SIXTH, (A) ELECTRIC POWER MACHINERY AND EQUIPMENT. (B) $ 9
MILLION. RECOMMENDATION: NO OFFICIAL PROMOTION EVENT, BECAUSE
U.S. PRODUCTS AND TECHNOLOGY WITH MARKET POTENTIAL ARE VERY
SPECIALIZED, LIMITED TYPES PRODUCED BY A RELATIVELY SMALL
NUMBER OF U.S. COMPANIES. SUGGEST INSTEAD BEWT/TAD AND
EMB MOSCOW ADVISE SELECTED U.S. FIRMS ON TRADE OPPORTU-
NITY.
SEVENTH, (A) SCIENTIFIC AND LABORATORY INSTRUMENTS. (B) $ 6 MILLION.
(C) EXHIBITION WITH TECHNICAL SEMINARS. THERE ARE ALSO SEVERAL
SPECIALIZED SUB-CATEGORIES OF THIS THEME WHICH WOULD SUPPORT
SMALL EXHIBITIONS/SEMINARS SUCH AS "BIOLOGICAL RESEARCH
INSTRUMENTATION", VACUM AND/OR CRYOGENIC INSTRUMENTATION",
AND "PHYSICS RESARCH INSTRUMENTATION".
EIGHT, (A) AGRICULTURAL MACHINERY AND EQUIPMENT, (B) $ 5 MILLION.
(C) TECHNICAL SALES SEMINAR OR SMALL SPECIALIZED EXHIBITION/
SEMINAR. MAJOR EXHIBITION IS NOT RECOMMENDED BECAUSE U.S.
MACHINES WITH MARKET POTENTIAL ARE LIMITED NUMBER OF
SPECIALIZED TYPES PRODUCED BY RELATIVELY SMALL NUMBER OF U.S.
COMPANIES.
NINTH, (A) ELECTRONICS COMPONENTS, PRODUCTION AND TEST
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EQUIPMENT, (B) $ 5 MILLION. (C) SMALL, MULTI-FIRM (LESS THAN
10) EXHIBITION/TECHNICAL SEMINAR.
TENTH THEME SHOULD BE CHOSE FROM AMONG FOLLOWING FOUR
WHICH ALL SHOW APPROXIMATELY THE SAME POTENTIAL FOR IN-
CREMENTAL U.S. EXPORTS:
(A) FOREST RESOURCES PRODUCTION EQUIPMENT (INCLUDING PULP
AND PAPER PRODUCTION EQUIPMENT), (B) $ 3 MILLION. (C) EXHIBITION
WITH TECHNICAL SEMINAR.
(A) GEOPHYSICAL INSTRUMENTATION (INCLUDING MINING, OIL AND
GAS FIELD EXPLORATION AND PROSPECTING INSTRUMENTATION).
(B) $ 3 MILLION. (C) EXHIBITION WITH TECHNICAL SEMINAR
INCLUDING SELECTED MINING, OIL GAS FIELD AND OFFSHORE
EQUIPMENT AND TECHNOLOGY WHICH HAS GOOD MARKET POTENTIAL
TO SAME SOVIET USERS.
(A) PLASTICS ARTICLES PRODUCTION EQUIPMENT, (B) $ 3 MILLION.

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(C) SMALL MULTI-FIRM EXHIBITION/SEMINAR (3-5 FIRMS).
(A) MEDICAL INSTRUMENTATION, (B) $ 3 MISSION. (C) EXHIBITION AND TECHNICAL SEMINAR (20-30 FIRMS).

5. SOVIET SHOWS NOT LISTED IN REF B WHICH COMMERCE MAY WISH TO CONSIDER FOR PARTICIPATION OR TRADE ASSISTANCE ARE:
A. CHILD CARE USA: EXHIBITION OF EQUIPMENT AND MATERIALS RELATED TO HEALTH, EDUCATION AND DEVELOPMENT OF CHILDREN, SEP 9-19, 1975, MOSCOW.
B. INTERNATIONAL EXHIBITION FOR MECHANIZATION AND AUTOMATION OF PORT AND PORT TRANSPORT OPERATIONS, SEP 23-OCT 10, 1975, LENINGRAD.
C. MECHANIZATION OF WORK ON CATTLE FARMS, OCT 1-10, 1975, MOSCOW.
D. FOOD PROCESSING AND PACKAGING EXHIBITION, OCT 15-24, 1975, MOSCOW.
E. TOOLS, INSTRUMENTS AND EQUIPMENT FOR USE IN GEOLOGY, GEOPHYSICS AND CARTOGRAPHY, NOV 24-28, 1975, MOSCOW.
F. EQUIPMENT FOR PHYSICAL RESEARCH, NOV 25-DEC 3, 1975, MOSCOW.
SEE EAST-WEST TRADE BULLETIN, NO. 27, FEB 1975, EWTC VIENNA, FOR DETAILS ON THESE EXHIBITIONS.

6. WE BELIEVE IT IMPRACTICAL TO ATTEMPT TO COORDINATE THIS MESSAGE WITH EMB MOSCOW BY TELEPHONE AS IMPLIED
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REF A. WE HAVE USED REF B AND INVITE EMB MOSCOW TO COMMENT ON RECOMMENDATIONS THIS MESSAGE. HUMES

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